

## Message Text

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ACTION EB-03

INFO OCT-01 EUR-10 ISO-00 AGR-03 AF-04 ARA-10 EA-07 NEA-06

RSC-01 IO-03 OIC-01 SP-02 AID-05 NSC-07 CIEP-01

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FRB-01 INR-10 NSAE-00 XMB-01 OPIC-02 LAB-01 SIL-01

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4581

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PASS AGRICULTURE FOR NOVOTNY AND PENCE

E.O. 11652: N/A

TAGS: EAGR

SUBJECT: ASMC MEETING OCTOBER 8

SUMMARY. NATURALLY THE MAIN POINT OF INTEREST AT THE MEETING WAS THE TIGHTENING UP OF REPORTING AND MONITORING OF US GRAIN AND FEED EXPORTS. THERE WAS A FORECAST THAT THE CANADIAN CROP SITUATION WILL WORSEN AND THERE WAS CAUTION ABOUT THE FORTHCOMING ARGENTINE AND AUSTRALIAN CROPS. END SUMMARY.

1. MOST INTEREST AT THE MEETING CENTERED ON THE STEPS TAKEN BY USDA ON GRAIN SHIPMENTS TO THE SOVIET UNION AND THE OVERNIGHT NEWS THAT USDA PERMISSION WILL BE REQUIRED FOR LARGE EXPORT ORDERS. US DELEGATE RODMAN READ STATEMENT CLARIFYING THE TONNAGE CEILING PROVISIONS, AND THE VOLUNTARY CONCURRENCE OF THE US GRAIN TRADE TO THE PROVISIONS. COPIES OF THE US STATEMENT WERE CIRCULATED TO ALL THOSE PRESENT AT THE MEETING.

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2. AFTER A PAUSE FOR THE DELEGATES TO DIGEST THE STATEMENT, QUESTIONING WAS SURPRISINGLY MILD. EEC DELEGATE METAXA SAID THAT HE SAW THE LATEST MOVES AS NO MORE THAN A FURTHER DEVELOPMENT OF A SITUATION WHICH HAD ALREADY EXISTED. EEC DELEGATE EATON AND PORTUGUESE DELEGATE WERE ANXIOUS FOR ASSURANCES THAT REASONABLE PURCHASES BY TRADITIONAL CUSTOMERS WILL BE ASSURED.

3. GENERALLY SPEAKING, THE TIGHTENING OF SUPERVISION OF EXPORTS HAS COME AS NO SURPRISE AND IT IS PROBABLY TRUE TO SAY THAT MANY AT THE MEETING AS WELL AS MANY IN THE UK GRAIN TRADE REGARD PHYSICAL CONTROLS ON EXPORTS AS NOT IMPROBABLE IF USDA CROP ESTIMATES ON OCTOBER 10 TURN OUT TO BE AS BAD AS IS BEING UNOFFICIALLY PREDICTED.

4. ON PRICES THERE IS A FEELING THAT US MARKET QUOTATIONS WILL NO LONGER HAVE MUCH BEARING ON US EXPORT PRICES OR ON IMPORT PRICES AND THAT IN EFFECT THE US WILL NOW BE IN THE SAME POSITION AS SOME OTHER MAJOR EXPORTERS OF HAVING A TWO-PRICE SYSTEM.

5. OTHERWISE THE MAIN POINTS TO EMERGE WERE SOMEWHAT GLOOMY PREDICTIONS OF CROPS IN CANADA, ARGENTINA AND AUSTRALIA. CANADIAN DELEGATE SAID THAT THE 524 MILLION BUSHEL ESTIMATE OF SEPTEMBER 15, INCLUDING 62.5 MILLION BUSHEL OF DURUM, WILL PROBABLY BE ADJUSTED DOWNWARDS. DROUGHT IN ARGENTINA COULD LEAD TO REDUCTION IN ESTIMATED SOWINGS AND AUSTRALIAN YIELDS ARE LIKELY TO BE BELOW AVERAGE.

6. ARGENTINE AND AUSTRALIAN DELEGATES HAVE SEVERE RESERVATIONS ABOUT THE USEFULNESS OF THE 1975-76 FORECAST OF WORLD WHEAT SUPPLY AND DEMAND EXERCISE. WHILE ACKNOWLEDGING THE IWC SECRETARIAT'S OBLIGATION TO USE OFFICIAL STATISTICS ON PRODUCTION ESTIMATES, CONSUMPTION, EXPORT AVAILABILITY, IMPORT REQUIREMENTS AND STOCKS, THE ARGENTINE DELEGATE IN PARTICULAR ASKED THAT MORE COGNIZANCE BE TAKEN OF TRADE AND OTHER UNOFFICIAL ESTIMATES. THERE WAS AN UNMISTAKABLE IMPLICATION IN THE ARGENTINE AND AUSTRALIAN VIEWPOINTS THAT THE USDA 1974 CROP ESTIMATES MADE LAST LIMITED OFFICIAL USE

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MAY AND JUNE SHOULD HAVE BEEN TREATED WITH MUCH MORE CAUTION SO AS TO AVOID THE CONSIDERABLE DEGREE OF SCALING DOWN IN THE IWC'S CROP ESTIMATES.

DECON 10/8/75

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, AGRICULTURAL PRODUCTION, TRADE, MEETINGS, GRAINS, MEETING DELEGATIONS  
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**Copy:** SINGLE  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** elyme  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Secure:** OPEN  
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**Subject:** ASMC MEETING OCTOBER 8 SUMMARY. NATURALLY THE MAIN POINT OF INTEREST AT THE  
**TAGS:** EAGR, XX, AR, AS, US  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005